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ADDITIONAL FACTS,  
ADDRESSED TO THE  
*SERIOUS ATTENTION*  
OF THE  
PEOPLE OF GREAT BRITAIN,  
RESPECTING THE  
*EXPENCES OF THE WAR,*  
AND THE  
STATE OF THE NATIONAL DEBT.

~~~~~  
Quando vincer dall' impeto, e da l' ira  
Si lascia la ragion, ne si difende ;  
E chel' cito furor si inanzi tira ;  
Se ben dipoi si piange, e si soppira  
Non e per queste, che l' error s' emenda.

Ariosto.

~~~~~  
By WILLIAM MORGAN, F. R. S.

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FOURTH EDITION.

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## INTRODUCTION.

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IN publishing my late tract on the expences of the war, and the state of the finances, I had no other wish than to engage the attention of this country to the dangers with which it is threatened by the present system of profusion in the public expenditure; and it affords me sincere pleasure to think that my efforts have not been altogether in vain. The statements which have been given in that tract of the enormous magnitude of the national debt, and of the accelerating progress with which it is increasing, seem to have made some impression on the public; and if, in the remotest degree, they should prove to be the humble means of awakening an effectual opposition to the present war, my pur-

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pose

pose will have been obtained. I was sensible, when I first engaged in this work, that no fairness or impartiality in my accounts would be sufficient to secure to them either the approbation or the assent of the ministry. On this subject, however, I have always felt very little anxiety ; and I am now induced to give the following, in addition to my former statements, not with the idle hope of convincing ministers that the present system of profusion is wrong, but with the more rational hope of convincing the public that my accounts of it, so far from being exaggerated, have hitherto been much too favourable. I feel no inclination to enter into controversy, much less to notice the pamphlets which have been written against my former tract. Whether the authors of them are to be considered as the organs, or the advocates of the Treasury, is of little consequence. The facts they attempt to deny are more and more confirmed by the melancholy experience of every day, and I am only surprised that Ministers, in the present ruinous state of our finances, when knowledge and inquiry must be so injurious to their interests, should chuse to provoke discussion. In circumstances where silence and

obscurity would have been their best friends, the flippant eloquence either of their adherents or themselves, appears to be very unseasonably employed; and it is hardly possible to imagine a greater absurdity, than that of hoping to supply a deficiency of argument on an arithmetical subject, which admits only of plain facts and computations, by ridiculous attempts at oratory and declamation.



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## ADDITIONAL FACTS,

&c. &c.

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### SECTION I.

*On the Comparative Expences of the present  
and the preceding Wars.*

IT has been objected to my former statements, that the comparative view which they gave of the expenditure of the last three years was opposed to the expenditure of two years in which we were only engaged in a contest with our *American* colonies, when the exertions are said to have been altogether trifling, and to have borne no proportion to those mighty efforts which have distinguished the present above all the wars that have ever preceded it. Without disputing this exaggerated representation, I shall only observe, that the expences, which the woeful experience of late years has made to appear as trifling, were con-

considered at the time in which they were incurred as the most enormous ever sustained by this country; and that there is not a doubt, if in comparing the American with the seven years war, the expenditure in the former had been stated to begin with the year 1778, but that the ministerial advocates of that day would have exclaimed against the injustice of such accounts. The objection, therefore, to the period at which the comparison is made to commence in my statements is totally groundless; but were it admitted to the utmost extent, it would not invalidate the truth of my assertion; for if the first three, or any number of successive years in the present war, be compared with the same number of successive years in the American or any other war, it will be found that throughout every period our expences in this war have greatly surpassed the most enormous extravagance of all former times.

In order to remove every difficulty on this subject, I shall give the account both on the supposition of the last war's having begun in the year 1776, and also on the ministerial supposition of its not having begun till the year 1778; for the results upon either hypothesis only differ in the *degree* by which the present profusion is to be distinguished. It must, however, be observed, that as the experience of the preceding years proves it to be impossible at the commencement to estimate the whole expence of a campaign, it will

will be necessary in the following account to confine it to the first *three* years of the war, leaving the present year till the growing expenditure of it shall have attained its *maximum*. I had indeed included this year in my former statements, but it was, as I then observed,\* on the supposition that *against all probability*, the expences would not exceed the provisions which have been made for them; and the additional millions lately raised not only prove my suspicion to have been well-founded, but that the most liberal grants at the beginning of a session are no security against further applications to Parliament for new sums, which in any year of former wars would of themselves have been deemed an alarming addition to the public debts.

\* Facts, p. 6.

# WAR ESTABLISHMENT

Voted by Estimate. Without Estimate.

|          |   |   |   |   |   |   |
|----------|---|---|---|---|---|---|
| Army     | — | — | — | — | — | — |
| Navy     | — | — | — | — | — | — |
| Ordnance | — | — | — | — | — | — |

|          |   |   |   |   |   |   |
|----------|---|---|---|---|---|---|
| Army     | — | — | — | — | — | — |
| Navy     | — | — | — | — | — | — |
| Ordnance | — | — | — | — | — | — |

1776.

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1777.

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1778.

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1779.

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1780.

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1781.

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1782.

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1783.

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1784.

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1785.

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|          |   | Voted by Estimate. Without Estimate. |           |       |            |
|----------|---|--------------------------------------|-----------|-------|------------|
| Army     | — | 2,405,96                             | 578,407   | —     | 1,647,616  |
| Navy     | — | 2,227,056                            | 1,925,844 | —     | 3,273,375  |
| Ordnance | — | 2,49,656                             | 272,706   | —     | 701,381    |
|          |   | <hr/>                                | <hr/>     | <hr/> | <hr/>      |
| Army     | — | 5,117,308                            | 2,776,954 | —     | 5,622,272  |
| Navy     | — | 3,210,305                            | 1,379,153 | —     | 3,590,322  |
| Ordnance | — | 320,112                              | 300,454   | —     | 1,291,348  |
|          |   | <hr/>                                | <hr/>     | <hr/> | <hr/>      |
| Army     | — | 6,110,385                            | 3,850,239 | —     | 10,485,548 |
| Navy     | — | —                                    | —         | —     | —          |
| Ordnance | — | —                                    | —         | —     | —          |
|          |   | <hr/>                                | <hr/>     | <hr/> | <hr/>      |
| Army     | — | 3,432,096                            | 2,200,223 | —     | 5,603,968  |
| Navy     | — | 4,001,895                            | 2,175,033 | —     | 5,525,331  |
| Ordnance | — | 382,816                              | 521,936   | —     | 701,736    |
|          |   | <hr/>                                | <hr/>     | <hr/> | <hr/>      |
| Army     | — | 7,816,807                            | 4,894,192 | —     | 11,854,822 |
| Navy     | — | —                                    | —         | —     | —          |
| Ordnance | — | —                                    | —         | —     | —          |
|          |   | <hr/>                                | <hr/>     | <hr/> | <hr/>      |
| Army     | — | 4,013,189                            | 3,026,137 | —     | 5,627,755  |
| Navy     | — | 4,589,069                            | 3,183,271 | —     | 5,590,322  |
| Ordnance | — | 395,439                              | 591,466   | —     | 1,291,348  |
|          |   | <hr/>                                | <hr/>     | <hr/> | <hr/>      |
| Army     | — | 8,997,697                            | 6,799,874 | —     | 10,485,548 |
| Navy     | — | —                                    | —         | —     | —          |
| Ordnance | — | —                                    | —         | —     | —          |
|          |   | <hr/>                                | <hr/>     | <hr/> | <hr/>      |
| Army     | — | 4,384,693                            | 3,418,806 | —     | 8,410,390  |
| Navy     | — | 5,503,284                            | 3,514,750 | —     | 6,315,523  |
| Ordnance | — | 458,136                              | 547,182   | —     | 1,176,804  |
|          |   | <hr/>                                | <hr/>     | <hr/> | <hr/>      |
| Army     | — | 10,346,113                           | 7,480,738 | —     | 15,902,717 |
| Navy     | — | —                                    | —         | —     | —          |
| Ordnance | — | —                                    | —         | —     | —          |

( 10 )

|                                     | <i>Without</i> the previous<br>consent of Par-<br>liament. | <i>Without</i> the pre-<br>vious consent of<br>Parliament. | <i>With</i> the previous<br>consent of Par-<br>liament. | <i>With</i> the previous<br>consent of Par-<br>liament. |
|-------------------------------------|------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| Expended in 1776                    | —                                                          | 5,117,308                                                  | 2,776,954                                               | —                                                       |
| 1777                                | —                                                          | 6,110,385                                                  | 3,850,239                                               | —                                                       |
| 1778                                | —                                                          | 7,816,807                                                  | 4,894,192                                               | —                                                       |
|                                     |                                                            | 19,044,500                                                 | 11,521,385                                              | —                                                       |
|                                     |                                                            | 19,044,500                                                 | 19,044,500                                              | —                                                       |
| Whole Expence in these three Years  | —                                                          | —                                                          | 30,565,835                                              | —                                                       |
|                                     |                                                            |                                                            | 66,901,331                                              | —                                                       |
| Expended in 1778                    | —                                                          | 7,816,807                                                  | 4,894,192                                               |                                                         |
| 1779                                | —                                                          | 8,997,697                                                  | 6,799,874                                               |                                                         |
| 1780                                | —                                                          | 10,346,113                                                 | 7,480,738                                               |                                                         |
|                                     |                                                            | 27,160,617                                                 | 19,174,804                                              |                                                         |
|                                     |                                                            | 27,160,617                                                 | 27,160,617                                              | —                                                       |
| Whole Expence in these three Years. | —                                                          | —                                                          | 46,335,421                                              | —                                                       |

In forming these statements, I have followed the method adopted by Mr. Grey, in his masterly and unanswerable speech to the House of Commons on the 10th of March last, and it appears from them that the expences of the first three years of the present war are more than *double* those of the same term in the *American* war, and very nearly *one half* greater than even those of the first three years of the *American and French* war. But the most remarkable circumstance attending this unprecedented expenditure is the great proportion of it which has been incurred *without the previous consent of Parliament*. In the year 1782 a committee was appointed, of which I believe the present Chancellor of the Exchequer was one, to examine the public accounts of the kingdom, and in the report of that committee it is observed, “ that the enormous amount of the “ extraordinaries incurred without the con- “ sent of Parliament is an abuse of the most “ alarming nature, enabling Ministers to de- “ ceive the nation, by keeping back the “ great expences of the war, and concealing “ thereby the extent of its engagements.” When this report was delivered, the extraordinaries in three years had amounted to eleven millions and a half, and in five years to twenty-six millions nearly—an expenditure most enormously extravagant, and well deserving the censure pronounced against it. But in spite of that censure, and even under

an administration composed of some of those very persons who formed the committee, the extraordinaries of the present war, exceeding all the profusion of former times, have amounted, in three years only, to more than *thirty-one millions!*\* In whatever manner, therefore, the comparison be made, whether from the estimates, or from the extraordinaries, whether during the first three years of the *American*, or during the first three years of the *French and American* war, the truth of my former assertion is equally confirmed, " that the expence of the present is unparalleled even among the most extravag-

\* Some idea may be formed of the rapid progress of this evil, from the following comparison of the extraordinaries of the army:

|                                                                                       |    |            |
|---------------------------------------------------------------------------------------|----|------------|
| In King <i>William's</i> war, which lasted nine years,<br>they amounted to            | £. | 1,200,000  |
| In Queen <i>Ann's</i> war, which lasted eleven years,<br>they amounted to             | £. | 2,000,000  |
| In <i>George the Second's</i> first war, which lasted<br>nine years, they amounted to | £. | 3,500,000  |
| In the first three years of the war of 1755 they<br>amounted to                       | £. | 2,434,893  |
| In the first three years of the <i>American</i> war<br>they amounted to               | £. | 5,215,990  |
| <hr/>                                                                                 |    |            |
| In the whole 35 years                                                                 | £. | 14,350,883 |
| In three years of the present war they have<br>amounted to                            | £. | 14,509,314 |

A sum exceeding their amount during 35 years of former wars, by 150,000*l.* Nay, from the 15th of November to the 31st of December last, a period of about *six weeks*, they amounted to 1,101,000*l.* which almost equals their whole amount during nine years of King *William's* war.

“ gant wars that ever desolated this coun-  
“ try.”

The principal justification of the present enormous expenditure is founded on the stupendous magnitude of our exertions in this war, which are represented so far to surpass those of any former war, as to lead us even to admire the frugality of Ministers in having been able to increase our force in a proportion so much greater than our expences. Without entering into an examination of the *effects* of our exertions, particularly in the last campaign, I shall beg leave, in order to prove what little support these assertions derive from fact, to transcribe a *ministerial* statement of the naval and military force employed during the same periods in this and the former war.

COMPARISON of the Navy during the first *three* Years of the *American* and *present* War.

| SHIPS IN COMMISSION. |               |                       |        | SHIPS IN COMMISSION. |                |                       |        |     |
|----------------------|---------------|-----------------------|--------|----------------------|----------------|-----------------------|--------|-----|
| Ships of the Line.   | Fourth Rates. | Frigates, Sloops, &c. | Total. | Ships of the Line.   | Fourth Rates.  | Frigates, Sloops, &c. | Total. |     |
| 21st Dec. 1778.      | 74            | 17                    | 157    | 243                  | 1st Dec. 1793. | 80                    | 156    | 243 |
| 1779.                | 82            | 20                    | 177    | 279                  | 1794.          | 93                    | 156    | 278 |
| 1780.                | 93            | 17                    | 204    | 314                  | 1795.          | 104                   | 217    | 329 |
|                      | 249           | 54                    | 538    | 841                  |                | 277                   | 34     | 850 |

COMPARISON OF THE ARMY.

| Regulairs.                      | Militia. | Total. | Regulairs. | Militia.       | Total.  |        |         |
|---------------------------------|----------|--------|------------|----------------|---------|--------|---------|
| 21st Feb. 1778.                 | 95,105   | 32,371 | 127,476    | 1st Feb. 1793. | 42,223  | 24,108 | 66,331  |
| 1779.                           | 99,653   | 34,239 | 133,895    | 1794.          | 81,389  | 34,487 | 115,876 |
| 1780.                           | 109,112  | 36,821 | 145,933    | 1795.          | 126,131 | 41,766 | 167,897 |
| Foreign troops in 1779 and 1780 | —        | —      | 4,073,04   | —              | —       | —      | 350,104 |
|                                 |          | 16,550 | —          | —              | —       | —      | 52,975  |
|                                 |          |        | 423,354    |                |         |        | 403,079 |

\* If the amount of the extraordinaries, or £14,509,314 be divided by this sum, it will appear that the expence attending each man during the last three years, over and above what was voted for him by Parliament, amounted to 36*l. per annum.*—In King *William's* war it amounted to 2*l. 7*s.* per annum!*

It appears from these statements that, although the war establishment during the last three years has been proved to exceed in expence the same establishment during the first three years of the *French* and *American* war, by more than twenty millions, only nine ships of the line, and on the whole number of every description, only *three* ships have been annually employed in the one case more than in the other ; but that in the army, on the contrary, the number of men employed, so far from exceeding, appear to have been annually about 7000 fewer in the present than they were in the former war. The enormity of our expenditure, therefore, does not proceed from any superiority in our exertions, and is even aggravated by the very statements which are intended to justify it.

In regard to the importance of our conquests, I have only to observe, that the settlements of our Allies, for whom we were said originally to engage in the war, can hardly be reckoned in that number ; and as to any other conquests they certainly afford a very inadequate compensation for the loss of blood and treasure by which they have been acquired, admitting even that a country, whose possessions are already much too extensive for its decreasing population, could derive any real advantage from an addition to its foreign territories. If however, we boast of our conquests, it behoves us also to look on the other side of the account, and in this case I am afraid we shall

have but little cause for triumph. When we behold our enemies, exclusive of *Nice* and *Savoy* and some of the finest provinces of the *German Empire*, in the full possession of the *Netherlands* and *Holland*, by which we are excluded from every port, from *Emden* to *Bilboa*, we can derive but little consolation from regarding our new possessions on the other side of the globe ; or from the reflection of having expended above *one hundred millions* in acquiring them.

## SECTION II.

*On the Debt incurred by the War, and on the present Amount of the National Debt.*

IN stating the amount of the unfunded debt in my former account\* at sixteen millions, I did it on the supposition that the war would end with the ensuing campaign, and that the probable expences, which could not immediately cease, would be more than equal to so much of that debt as had been incurred previous to hostilities. But further information has proved this statement to have been under-rated. The navy debt, instead of five millions, at which it was then taken, appears to have been increased by the war, on the 31st of December last, to the following amount.

|                                                                                   | £.         |
|-----------------------------------------------------------------------------------|------------|
| Whole debt on the 31st of December, 1795                                          | 10,788,984 |
| Sums received from grants of 1796, and applied to<br>the service of the year 1795 | 1,546,758  |
| Vote of credit for 1795                                                           | 171,373    |
|                                                                                   | <hr/>      |
| Deduct the debt on the 31st of December, 1792                                     | 12,507,115 |
|                                                                                   | 2,745,991  |
| Increase of the navy debt                                                         | 9,761,124  |
|                                                                                   | <hr/>      |

\* Facts, p. 8.

The more accurate amount, therefore, of the unfunded debt incurred by this war, will be,

|                                                                                                                   | £.                |
|-------------------------------------------------------------------------------------------------------------------|-------------------|
| Navy debt on the 31st of December, 1795                                                                           | 9,761,124         |
| Ordnance debt on do.                                                                                              | 210,194           |
| Increase of Exchequer bills                                                                                       | 500,000           |
| Expected increase of the Navy debt above the estimates in 1796, and said to be provided for in the two last loans | 4,000,000*        |
| Allow for expences which cannot immediately cease with the war, the very moderate sum of                          | 5,500,000†        |
| <br>Whole increase                                                                                                | <u>19,971,318</u> |

From these statements it appears that the debt incurred by the present war, including seventy-eight millions which have been funded‡ cannot be less than ninety-eight millions; supposing, against all probability, that the Emperor's loan will not be ultimately paid by this country, and that sufficient provision has been made in the two budgets of the present session for the whole expenditure of the year.

The present Ministry claim to themselves much credit from having provided for the extraordinaries of every preceding year in the supplies of the following year, so as to prevent that accumulation of the unfunded debt,

\* Of this sum there were 2,822,389*l.* expended on the 5th of April last. It is not probable, therefore, that the provision in this case will be sufficient to pay half the extraordinary expenditure during the present year.

† This sum is allowed in a *ministerial pamphlet*, and is most probably much below the truth.

‡ Facts, p. 7.

which had grown to such an enormous magnitude in the American war.—But the expenditure of the last three years, and the *second* loan in the present year, are not only in direct opposition to any claims of this kind, but prove that there never was a time in which they could have been urged with less propriety. So great has been the difference between the supplies and the real expenditure, that it is impossible, from the mere knowledge of the one, to form the most distant idea of the other. In every department the arrears are enormous beyond all precedent. In the navy particularly (which has often been selected as the most striking object of mismanagement in former administrations) the evil has acquired its greatest force. At the end of the third year of the *French* and *American* war, the unfunded debt in that department amounted to the sum of 10,372,628*l.* At the end of the third year of the present war it amounted to 12,507,115*l.*—Or, if a deduction be made of the debt which existed at the commencement of each of those wars, the accumulation in the former will appear to have been 6,369,055*l.* while in the latter it has swelled to 9,761,124*l.*! It is with very little reason, therefore, that the advantage of going to market with ready money, rather than with promissory notes at a considerable discount, is pointed out as one of the good consequences of preventing the floating debt from accumulating in an irregular manner.—Whenever this

hypo-

hypothesis shall be carried into effect, I have no doubt but that its truth will be fully established by experience. So little regard, however, has been paid to it for the last three years, and so far has the contrary practice been pursued of going to market *without* ready money, that the floating debt has endangered commercial credit by its magnitude, and rendered a new loan necessary to prevent worse consequences.

If it could be proved that neither exchequer bills at a discount of five and a half *per cent.* navy bills at a discount of six *per cent.* nor bills dated at *Hamburg* and drawn in *London*, came within the description of promissory notes, it might perhaps be allowed that the expences of the war had been discharged as soon as they were incurred; but as this is known to be impossible, and my business is only with *facts*, I shall leave all *theories* of finance to those who have more leisure to attend to them.

Whether taxes have been provided in the supplies of the foregoing years for paying the interest of the navy debt when it shall be funded, or whether no such provision has been made, it is certain that hitherto no interest can have been paid on more than twelve millions and a half of this debt; and therefore, that if supplies were granted for this purpose, they have been directed to other channels, and must be made up hereafter by new supplies. It is true, that in opening every budget, except

the *first* of the present session, Mr. Pitt undertook to provide not only for the interest of the navy debt then existing, but also for the interest of its probable increase during the course of the ensuing year. Thus in the budget of 1794, he appropriated taxes for one million of navy debt to be contracted in the course of that year. In the budget of February 1795, he stated the increase of the navy debt to have been, on the preceding Christmas, 3,594,000*l.* so that in addition to the million which he had provided for 1794, it became necessary to make provision for a further sum of 2,594,000*l.* and as the increase of the navy in the year 1795 would probably keep pace with its increase in 1794, taxes were proposed in that year to pay the interest of 2,594,000*l.* and 3,594,000*l.* making together 6,188,000. Of this sum 1,609,898*l.* were funded in the *five per cents.* so that the *unfunded* debt to be provided for in February 1795 was 5,478,102*l.* In December 1795 the navy debt appears to have been 12,507,115*l.* Deducting 5,478,102*l.* which are said to have been provided for in the preceding February, from this sum, there remained in December a further sum of 7,029,013*l.* to be provided for by new taxes in this year. It is now proposed to fund five millions of this debt,\*

\* It was proposed, at the beginning of the session, to provide for the interest of this sum by an annual lottery. But that *mortal institution* is reserved for some further exigencies of the war, and

and to make provision for a further increase, during the course of the present year, of four millions. But if the navy debt accumulates at the same rate as it has done in the year 1795, he ought, instead of four millions, to have provided for nine millions.\* Reasoning, therefore, from past experience the increase of the unfunded debt, instead of twenty millions, will more probably be as follows :

|                                                                           | £.         |
|---------------------------------------------------------------------------|------------|
| Navy debt and ordnance, including the five millions proposed to be funded | 9,971,318† |
| Further increase of the navy debt in the present year                     | 7,008,940  |
| Increase of Exchequer bills                                               | 500,000    |
| Expences which cannot immediately cease with the war                      | 5,500,000‡ |
|                                                                           | <hr/>      |
|                                                                           | 22,980,258 |
|                                                                           | <hr/>      |

|                                                                           | £.         |
|---------------------------------------------------------------------------|------------|
| * At Christmas last the debt was                                          | 12,507,115 |
| In the year 1795 was funded                                               | 1,609,898  |
|                                                                           | <hr/>      |
| Deduct the navy debt in 1794                                              | 14,117,013 |
|                                                                           | <hr/>      |
| Increase of the debt in 1795, and therefore its probable increase in 1796 | 7,008,940  |
| Debt, for which no provision was made in Dec.                             | 7,029,013  |
|                                                                           | <hr/>      |
| Deduct what is proposed to be funded                                      | 14,037,953 |
|                                                                           | <hr/>      |
| Whole debt to be provided for in the year 1796                            | 9,037,953  |
|                                                                           | <hr/>      |

† See page 19.

‡ See Not. †, page 19.

Hence it appears, that instead of ninety-four millions, as I had modestly stated the expence of the war, in my former account,\* the principal of the national debt, exclusive of the Emperor's loan, will be increased (if peace were concluded at the end of the ensuing campaign) above one hundred millions. But even these computations are certainly much too moderate. On the 5th of April last, it appears that out of the whole supplies for the year, which were voted since the 29th of October, the sum of 12,513,082*l.* had been expended in the discharge of part of the arrears of last year, and in the services of the present year; so that, including 2,822,389*l.* added to the navy debt, since the 31st of December last, the public exigencies have required more than fifteen millions in the first three months of the present year; and if they proceed at the same rate during the remainder of the year, the whole expence of the war will probably add to the capital of the public debts above one hundred and twenty millions.

In my former tract I gave as correct a statement of the whole amount of the funded debt as I could collect from the Report of the Committee for examining the public accounts in 1791; and from the votes of the House of Commons, for the last four years, which, including the stock redeemed by the Commissioners for managing the Sinking Fund, I made

\* Facts, p. 8.

to be three hundred and thirty-seven millions nearly ; and with the addition of the Emperor's loan, about three hundred and forty-four millions \*. The more accurate account of this debt, on the 31st of December last, appears to have been as follows :

|                                              | £.                |
|----------------------------------------------|-------------------|
| Stock in the three, four, and five per cents | 311,847,670       |
| Present value of all the annuities           | <u>24,730,269</u> |
|                                              | 336,577,939       |
| Emperor's loan                               | <u>7,205,133</u>  |
|                                              | 343,783,072       |

By the assistance of some friends, and particularly of the *Earl of Lauderdale*, who among other valuable communications, has favoured me with copies of the several papers which have lately been laid before Parliament on the subject of the finances, I have procured such information as to enable me now to give a more correct account of the unfunded debt than I have hitherto done. I am still sensible, however, that its real magnitude considerably exceeds what it is stated to be in the following account ; and unless the arrears in every department are fairly laid before the public, I do not see how it can ever be possible to give the whole amount of this part of the national debt.

\* Facts, p. 22.

|                                                                                                                                             |                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| *Navy debt on the 31st of December, 1795                                                                                                    | £. 10,788,984                           |
| Ordnance debt on the 31st of Dec. 1795,                                                                                                     | 210,194                                 |
| Exchequer bills, consisting of votes of credit for                                                                                          | 6,000,000                               |
|                                                                                                                                             | { 1,500,000<br>2,000,000<br>2,500,000 } |
| Ditto, issued on the land and malt tax, after deducting 2,750,000 <i>l.</i> for those which have been issued on account of the present year | 1,827,000                               |
| Extraordinaries of the army, being the difference between their amount in the first and second budgets of the present session               | 535,677                                 |
| Probable arrears of the army, not yet brought to account, which may be estimated at least at                                                | 3,500,000                               |
|                                                                                                                                             | <hr/>                                   |
|                                                                                                                                             | £. 22,862,851                           |

If this sum be added to the funded debt, the whole will amount to three hundred and sixty millions nearly, which is as much as the national debt was stated to be in my former tract, *with the Emperor's loan included*. It follows, therefore, that if any errors were committed in that publication, they were such as ought to have secured to me the approbation, and not the censure of the Ministry; for, by lessening the amount of the debt, I must have contributed in some degree to dispel those gloomy apprehensions which are so unjustly entertained in regard to the *expence*

\* It is now proposed to fund a part of this debt, together with three millions and a half of Exchequer bills and four millions of the balance due to the Bank. This will increase the funded and lessen the unfunded debt. But as the measure has not yet received the sanction of Parliament, I have thought it best to continue the accounts of these debts in their present state.

of the war—a war glorious beyond all former example, not only in the number of its victories, but “ in having extended our commerce so far beyond its utmost limits in the most flourishing times of peace, as to have already shed immortal honours on the name of PITT!”\*

\* The *assertion* may be found in one of the ministerial pamphlets; the *proof* is perhaps reserved for the next publication of the same kind.

## SECTION III.

*On the Loans of the present War.*

MY chief objections to the loans of the present war arose from their having been made, for the most part, in the *three per cents.* rather than in a stock bearing a higher interest, by which means the capital of the debt was increased unnecessarily. In justification of this practice the ministerial writers seem to have recourse to an opinion “ That “ the *interest* is the only circumstance to be “ attended to in borrowing money, that the “ expences of a war mean only the sums “ which have been actually spent in it, and “ that the creation of a needless capital is a “ matter of perfect indifference, since it can- “ not be considered as forming any addition “ to the amount of the public debts.”— Leaving Mr. Pitt’s adherents to reconcile these positions with his former sentiments on the subject,\* I shall only observe, that at this

\* See my Review of Dr. Price’s Writings, page 19, &c.—but more particularly the debate on Lord *John Cavendish*’s budget in the year 1783. In his opposition to that budget, Mr. Pitt reprobates in the strongest terms the plan of borrowing in the *three per cents.*, and insists that the only method of conducting loans so as to hasten the operations of compound interest in paying off the national debt, is to borrow in the *five per cents.*—See the Parliamentary Register, published by Mr. Debrett, Vol. VIII.

moment the capital, which has been borrowed in the present war at sixty-three, is redeeming at sixty-six *per cent.* and that in the year 1792, the capital which had been borrowed in the *American* war at fifty-four and a half, was redeemed at ninety-six *per cent.* that is, for every 100*l.* received in that war, the public were paying in 1792 about 175*l.* So long, therefore, as the adherents of the Minister boast of his exertions in providing for the discharge of the national debt, so long will the excess of the capital, above the money actually received, form a very essential part of the expences of the war. But when he has ceased to make this provision, and considers every addition to the debt as a perpetual burden upon the country, they may then, and not till then, recur to the opinions of those statesmen who borrowed upon this principle, for a justification of his conduct.

The ministerial defence of the last loan\* I do not understand. It seems to be founded on the supposition that it would have been impossible to prevail upon the contractors for the loan to accept a stock which bore a high interest, or in other words, which did not form a capital *one half* greater than the sum which they advanced.

It cannot be denied that the loan-mongers are pretty correct in their ideas of the value of a large capital; and though the national debt,

\* I mean the loan in December last.

in the opinion of the ministerial writers, may not be increased by funding in the *three per cents.* it is evident that the better judgment of those persons teaches them to regard their property as considerably increased by this circumstance.

Without entering into any further computations on this loan, it will be sufficient to remark, that it has borne a premium of ten, and even twelve *per cent.* and therefore that the terms, which on eighteen millions give a profit to the lenders of 1,800,000*l.* must be highly injurious to the public.

These terms have, no doubt, been rendered more profitable to the subscribers, by the King's Message to Parliament, *after* the bargain was settled; and by the resolution of the Commissioners to purchase in the *four per cents.* *before* it was settled. But these are measures which have not hitherto been satisfactorily explained. They happened, indeed, to be well-timed for the lenders;—perhaps a little foresight might have made them equally so for the borrower.—It is attempted to account for the latter of those measures by representing it to have been adopted in consequence of the impossibility of purchasing *three per cent.* consols in the month of November, because the books of those annuities were shut at that time.\*—This explanation can by no means be admitted;

\* See Mr. Francis's Speech in the House of Commons, on Friday, Feb. 26, 1796, page 15. Debrett's Debates, Vol. XLIII, ted;

ted ; for it is highly improbable that a circumstance which had recurred twenty times within the last ten years, should not have sooner impeded the operations of the Commissioners, and induced them to adopt a similar conduct.

## SECTION IV.

*On the Sinking Fund.*

THE plan which was adopted by Mr. *Pitt*, in the year 1786, for redeeming the national debt I have already proved, \* not only to be a production of Dr. *Price*, mutilated and rendered impotent by injudicious alteration, but also that it was the weakest of three plans which had been proposed for the purpose, and communicated by him in consequence of repeated application from Mr. *Pitt* on that subject. These are facts which can be no more denied, than that the Minister assumed the whole merit of the measure to himself, without ever mentioning the name, much less the services of Dr. *Price*. His adherents, improving on the silence of the Minister, have attempted to depreciate those services, and by this means to discharge him from every obligation on their account. The application of a million annually in the purchase of stock is, certainly, “No new invention or discovery.” But was Dr. *Price* ever so absurd as to suppose that he had made such a discovery? His plans, it is true, like all other effectual plans, were founded on the operations of compound

\* Review of Dr. *Price's* Writings, chap. ii.

inte-

interest; but they were not valuable merely on this account. They had other merit to recommend them, and this Mr. *Pitt* himself has sufficiently proved, by adopting the weakest of them in preference to one of his own, which, on the representations of Dr. *Price*, he had been induced to abandon as still more weak and ineffectual.\*

The principal objection to the two stronger plans of Dr. *Price* arose from the additional taxes which they would require, to the amount of 600,000*l.* *per ann.* in the course of five years. This deterred Mr. *Pitt* from distinguishing his administration by adopting either of them; and although he thought it improper, and even impracticable, to increase the taxes at that time about 120,000*l.* *per ann.* for five years, he soon after found it expedient, in a much shorter term, to increase them for other purposes about 800,000*l.* *per ann.* Nay, within the last three years the Minister, who in 1786 shrank from the addition of 600,000*l.* *per ann.* to the taxes, has had the resolution to increase them above four millions, and, if the present system should continue two or three years longer, he must have the still bolder resolution to increase them as many millions more.

The present plan for discharging the public debts, which was enfeebled at the time of its first establishment by injudicious restrictions,

\* See my Review of Dr. *Price's* Writings, page 19, &c.

I have already shewn to be still further enfeebled, by invariably confining its operations to the redemption of the three *per cents.*\* In the first seven years, the stock purchased by the Commissioners amounted to 10,109,400*l.* which afforded a free revenue of 303,282*l.* According to Dr. Price's calculations, 4,076,572*l.* ought to have been purchased in the three *per cents.* and 5,038,133*l.* in the four *per cents.* which would have given a free revenue of 323,762*l.*; so that in this short time above 20,000*l. per ann.* has been lost to the fund, in addition to the much greater loss which it has sustained by the neglect of exchanging the four *per cents.* into *three per cents.* when the price of the former was so nearly equal to that of the latter.†

In regard to Mr. Pitt's measure of providing an additional sum of 1*l. per cent.* on the capital of every new loan, I have already explained its operations in discharging the debt, and proved how much they are impeded by his method of borrowing in the three *per cents.*‡ I have no wish to do injustice to Mr. Pitt's measures, or in the least degree to diminish those *immortal honours* § which he has acquired by his administration; but I must acknowledge, whatever may be the opinion of his adherents, that I have yet to be convinced that this measure deserves

\* Facts, Sect. V.

† Ib. p. 37.

‡ Ib. Append. p. 47.

§ See Not. †, page 19.

honour: Though the principle is old, the provision, when applied to the national debt, is, I believe, the work of the present Chancellor of the Exchequer, and by this provision he has certainly so far made the sinking fund *his own*. But it was the glory of Dr. *Price's* sinking fund to be founded upon a system of *peace*, by applying the savings derived from the lapse of the temporary annuities, and from an œconomical expenditure of the public money, to the real extinction of the debt. In assisting his plans by additional taxes he meant to inspire the nation with confidence, from the vigour with which they operated at their outset. By thus inspiring confidence, at a period when it was most wanted, he hoped to secure a continuance of those peaceful exertions, in order effectually to deliver the kingdom from its incumbrances and its dangers. On the contrary, Mr. *Pitt's* sinking fund is founded upon a system of *war*. Instead of reducing, it seems calculated only with greater facility, to increase the national debt. Additional taxes are annually laid, not for the salutary purpose of giving vigour to the plan by accelerating its operations at the outset, but for the pernicious purpose of giving vigour to new loans, and of leading the nation to suppose that the faster its debts are accumulating, the sooner they will be extinguished. The greater amount of the sums appropriated to such a sinking fund, only proves the growing incumbrances of the na-

tion; so that when it is boasted that Mr. *Pitt* has already made an addition to *his* sinking fund of 770,000*l.* *per ann.* the public in this triumph have to regret, that within the last three years the capital of the funded debt has been increased *seventy-seven millions*. If the present expenditure continues, neither the ministerial exultation nor the public regret are likely to be lessened, until the evil, which grows one hundred times faster than the remedy, shall have acquired that force which no delusion can withstand, and at last overwhelm both the lender and the borrower in one common ruin.

Such are the operations of Mr. *Pitt*'s sinking fund, nor shall I contest with him for the honour of its invention. I feel but little satisfaction in contemplating its effects, or beholding the steady perseverance with which it is carried into execution. If the national debt is to be discharged by the assistance of such a plan, I am certain that the purpose will be effected by a much more summary process, than the tedious accumulations of compound interest.

I cannot conclude this Section without noticing the many wretched insinuations with which the ministerial writers are continually endeavouring to deface the memory of Dr. *Price*. In themselves they are utterly contemptible; but when proceeding from the adherents of Mr. *Pitt*, they certainly do very little honour to *his* administration. *He* should

recollect that there was a time when, *professing* at least much respect and esteem for this excellent man, \* and anxious to avail himself to the utmost of his assistance, he not only felt, but expressed his obligations† for the lights he had received from him. It should also be particularly remembered, that Dr. *Price* never intruded himself upon any minister with his suggestions. On the contrary, his advice was *sought* with earnestness, and it was communicated with that same disinterested zeal and alacrity which always distinguished his exertions for the public good.—He never dishonoured himself by applying for places and pensions, as a recompence for his services —He lived, as he died, an *honest* and *independent* man.

\* Extract of a letter from Mr. *Pitt* to Dr. *Price*, dated 15th Jan. 1786.

“ I think some points may occur which may be better explained in conversation than by writing, and I am anxious to avail myself to the utmost of your assistance where it may be so material.”

Extract of another letter from Mr. *Pitt* to Dr. *Price*, dated 18th April, 1786.

“ I cannot omit adding how much I think myself obliged to you for the lights I have already received from you on the subject, and how thankful I shall be for any further suggestions which may occur to you upon it.”

† I mean in *private*, for I do not know that Mr. *Pitt* ever mentioned his name in *public*.

## SECTION V.

*On the Public Income and Expenditure.*

THE annual excess of the revenue above the expenditure has uniformly been maintained by the Ministry, from the first establishment of the Consolidated Fund in 1786, to the commencement of the present war. In my Review of Dr. Price's writings, which was published in the year 1792, I gave an account of the public finances for five years, from 1786 to 1790, from which it appeared that the expenditure exceeded the income during that period by 6,330,693*l.* or on an average, by more than one million and a quarter in each year, and that the deficiency had been supplied by loans and extraordinary receipts, amounting to 6,191,105*l.* Without entering further into this subject, which cannot be very interesting at present, I shall only observe, that in the years 1791 and 1792 the finances seem to have improved considerably; and had we possessed the wisdom of adhering inviolably to a system of peace, it is probable that in a few years the industry and enterprize of the

nation, by prevailing over the burdens with which they were loaded, might have raised the revenue even above the expenditure; and so far at least have afforded the Minister some ground for his triumph in the flourishing state of the country. But the present war has destroyed all those prospects, by creating, in the short term of three years, an addition to the taxes of more than four millions and a half,\* and consequently increasing the deficiency in the revenue to a greater amount than ever.

In the year 1791, when the income and expenditure were represented to be nearly equal, the permanent taxes produced 14,132,000*l.*† In the years 1793, 1794 and 1795 it became necessary to lay fresh taxes, which, according to the estimates, were to produce 2,842,000*l.* In order, therefore, that the revenue should be adequate to the public exigencies, it ought to produce the amount of these two sums, or 16,974,000*l.* From the accounts just laid before Parliament, its whole produce in the

\* In this sum are included the taxes imposed in the present session of Parliament.

† In the year 1792 taxes were repealed to the amount of 220,000*l.* but as this was done on the supposition that the revenue would still continue to improve so as to produce more than it did in the preceding year, when the income and expenditure were nearly equal, it is evident that the sum of 14,132,000*l.* ought to be taken as the efficient produce of the old taxes, and therefore that the taxes which were repealed in 1792 ought not to be deducted from that sum.

year ending the 5th of April last, appears to have been as follows :

|                                                                                                        |   |         |        |    |            |
|--------------------------------------------------------------------------------------------------------|---|---------|--------|----|------------|
| Produce of the taxes existing in 1791                                                                  | — | —       | —      | £. | 13,053,527 |
| Produce of the taxes imposed in the years 1793,<br>1794, and 1795                                      | — | —       | —      | £. | 2,828,361  |
| Deduct the sum which has been re-<br>ceived on the stock of wine in<br>hand, which cannot be accounted |   |         |        | £. |            |
| the annual produce of that tax                                                                         | — | 357,000 |        |    |            |
| Deduct also the duties of 1796, re-<br>ceived since Christmas                                          | — | —       | 48,578 | £. | 403,578    |
| Nett produce of the taxes imposed in the last three years                                              | — | —       | —      | £. | 2,422,783  |
| Whole produce of the permanent revenue                                                                 | — | —       | —      | £. | 15,481,310 |
| Deficiency                                                                                             | — | —       | —      | £. | 1,492,690  |
|                                                                                                        |   |         |        |    | 16,974,000 |

If to this sum be added the annual deficiency in the land and malt tax, amounting to 250,000*l.* the interest paid to the Bank for cash advanced (which in Christmas last exceeded eleven millions), the interest paid on the unfunded navy debt, &c. &c. I think the computation will be very moderate which makes the difference between the expenditure and the income to be no more than two millions. But it will appear from the following statement that this is by no means likely to be the whole deficiency.

## PRESENT AMOUNT OF THE TAXES.

|                                   |              |       |       |       |       |            |
|-----------------------------------|--------------|-------|-------|-------|-------|------------|
| * Taxes imposed prior to 1796     | —            | —     | —     | —     | —     | 154,81,310 |
| Taxes imposed in 1796             | —            | —     | —     | —     | —     | 1,227,415  |
| Additional taxes imposed in ditto | —            | —     | —     | —     | —     | 600,000    |
| Land and mail tax                 | —            | —     | —     | —     | —     | 2,475,000  |
|                                   | <hr/>        | <hr/> | <hr/> | <hr/> | <hr/> | <hr/>      |
| DEFICIENCY                        | —            | —     | —     | —     | —     | 19,783,725 |
|                                   | <hr/>        | <hr/> | <hr/> | <hr/> | <hr/> | <hr/>      |
|                                   | 2,666,1948   |       |       |       |       |            |
|                                   | <hr/>        | <hr/> | <hr/> | <hr/> | <hr/> | <hr/>      |
|                                   | £ 22,445,673 |       |       |       |       |            |
|                                   | <hr/>        | <hr/> | <hr/> | <hr/> | <hr/> | <hr/>      |

## FUTURE EXPENDITURE,

(*Supposing the War terminated with this Year.)*

|                                                                                                                                                                         |              |       |       |       |       |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------|-------|-------|-------|-----------|
| Interest of the national debt and management                                                                                                                            | —            | —     | —     | —     | —     | 1,227,415 |
| Addit. of 1 <i>l. 7<i>9</i> cent.</i> on the capital borrowed since 1793                                                                                                | —            | —     | —     | —     | —     | 766,878   |
| Sum voted annually for the discharge of the national debt                                                                                                               | —            | —     | —     | —     | —     | 1,000,000 |
| Civil List                                                                                                                                                              | —            | —     | —     | —     | —     | 900,000   |
| Interest on Exchequer bills                                                                                                                                             | —            | —     | —     | —     | —     | 250,000   |
| Interest on the navy debt, which at Christmas last amounted to 12,50 <i>7<i>11</i>5<i>1</i></i> .                                                                       | —            | —     | —     | —     | —     | 625,000   |
| Interest on ordnance debt, which at Christmas last was 210,194 <i>l.</i>                                                                                                | —            | —     | —     | —     | —     | 10,510    |
| Interest on four millions voted for the navy this year                                                                                                                  | —            | —     | —     | —     | —     | 200,000   |
| Additional interest of 1 <i>l. per cent.</i> on seven millions and a half of Exchequer bills, and four millions and a half of navy debt proposed to be funded this year | —            | —     | —     | —     | —     | —         |
| Average peace establishment of the army and navy for seven years before the war                                                                                         | —            | —     | —     | —     | —     | 5,151,183 |
| Additional peace establishment $\dagger$                                                                                                                                | —            | —     | —     | —     | —     | 500,000   |
| Interest on additional navy debt, supposing its increase to be the same as last year $\ddagger$                                                                         | —            | —     | —     | —     | —     | 150,000   |
| Interest on a loan of five millions and a half, which will, at least, be necessary to close the account of the war $\S$                                                 | —            | —     | —     | —     | —     | 275,000   |
| Additional interest of 1 <i>l. per cent.</i> on seven millions of navy debt, and on the five millions and a half in the last article                                    | —            | —     | —     | —     | —     | —         |
|                                                                                                                                                                         | <hr/>        | <hr/> | <hr/> | <hr/> | <hr/> | <hr/>     |
|                                                                                                                                                                         | £ 125,000    |       |       |       |       |           |
|                                                                                                                                                                         | <hr/>        | <hr/> | <hr/> | <hr/> | <hr/> | <hr/>     |
|                                                                                                                                                                         | £ 22,445,673 |       |       |       |       |           |

\* The expense of the distilleries will probably render the taxes less productive in the present than in the preceding year; but the additional consumption of foreign spirits and malt liquor may be expected, in a great measure, to compensate for the loss of this branch of the revenue.

$\dagger$  This includes the increased half pay list, foreign provisions, barracks, &c, and is, I am well satisfied, much below the truth.

$\ddagger$  It appears in page 23, that the navy debt last year increased 70,088,940*l.* Of this sum four millions are to be provided for in the present budget, and are already mentioned in this account. I have taken the difference between these two sums, or three millions as the farther increase; but it will probably be much more, especially considering that a debt amounting very nearly to this sum has been incurred in the first three months of the present year.

$\S$  As twelve millions and a half (exclusive of the navy debt) were expended in the *first quarter*, out of the sum of 26,750,000*l.* which was voted for the supplies of the year, it is hardly to be imagined that the arrears at the end of the year will not exceed the very moderate sum at which they are taken in this account.

If to this deficiency of 2,661,948*l.* be added the sum of 200,000*l.* which has been annually voted for the sinking fund, and also the interest usually paid to the Bank for the sums which are constantly advanced by them on the credit of the land and malt tax, and on other securities, the expenditure, supposing the war even to terminate with the present campaign, will exceed the revenue on the ordinary peace establishment by the sum of three millions nearly. But this is not the whole of the evil which is to be apprehended. Should the taxes fall in the same proportion at the close of this war, as they fell at the close of the *American* war, the deficiency will be augmented by the further sum of 2,890,000*l.*\* Supposing it, however, to be augmented by only half this sum, still it will be necessary to impose new taxes to the amount of more than four millions and a half, in order to place the revenue in the same situ-

\* During the American war, the expenditure in any one year never exceeded the sum of 21,690,000*l.*§ nor the permanent taxes the sum of 10,178,000*l.*† At the close of that war, the revenue, exclusive of the deficiency in the land and malt tax, fell short 1,318,800*l.*‡ In the present war, the expenditure of the last year appears to have been 31,181,000*l.* and the amount of the permanent taxes 15,481,000*l.* If the revenue therefore be diminished at the close of this war in proportion to the excess of the expenditure, and also to the excess of the permanent taxes above what they were in the American war, the deficiency will be found to amount to 2,890,000*l.* *nearly.*

§ Dr. Price's State of the Public Debts in 1783. Sect. 3. page 13.

† Dr. Price's Postscript to the above pamphlet, page 10.

‡ Ibid.

ation, with regard to the expenditure, as it was before the commencement of the war.— With this prospect before us, and at the very moment when an application is made for a third loan within fourteen months, which completes an addition to the public debts of forty-three millions and a half, we are assured that “ we shall go out of this war in a better “ state than we went into it.” It is undoubtedly very wrong, and I can honestly say the farthest from my intentions, either to alarm the nation, or to increase the pride and insolence of the enemy by aggravating the account of our finances. But is it less dangerous or less criminal to pursue the contrary course?—To allure the nation into a system of perpetual expence by presenting false views of its prosperity—and to divert its attention from the precipice towards which it is impelled, by pointing out the gulph into which its enemies are plunging?

## SECTION VI.

*On the general State of the Nation.*

IF the assertions of the ministerial writers be well founded, we have very little reason to regret the addition of one hundred millions to the debt, or the growing pressure of the public burdens. “ The progress of national improvement has continued without interruption—The foundations of general credit have remained unshaken.—The taxes are productive.—Trade increases.—Buildings multiply.\*—And the mass of national property accumulates to such a degree, as to distinguish the present war above the most flourishing years of peace ;” so that we are almost led to wish it may be continued merely for the sake of promoting the welfare and happiness of the country. But are they serious in all this idle declamation and triumph ? Is it possible that they should gravely represent the revenue to be productive, when the amount of the old taxes has decreased, within

\* I suppose barracks are included in the number.

the

the short term of three years, \* above one million and a quarter, and when it is even constantly becoming more deficient in proportion as new taxes are imposed, and the public distress is aggravated by the continuance of the war?

With equal reason is the nation congratulated at this time on the improving state of its commerce, when the trade of the country is known to have diminished so dreadfully as to oblige thousands of its manufacturers, for want of employ, to enter into the army and navy, in order to preserve themselves from starving.

Much stress has been laid on the increased amount of the exports and imports during the war. But surely very little can be inferred in such a season from this circumstance. Nay, the slightest attention must convince us that it is merely artificial, and has arisen principally from the war itself. The cloathing and provisions for our fleets and armies.—The naval stores imported.—The millions of gold coin, and the other supplies which have been exported for our subsidized Allies on the Continent, will easily account for any increase of this kind, and, so far

\* In the year 1792 the produce of the permanent taxes was

£.

14,354,000

In the year 1795 the produce of the same taxes was

13,058,527

Difference

1,295,473

G 2

from

from being beneficial, prove it to be highly injurious to the welfare of the country. \* In the year 1788, when we were represented to be at the height of our prosperity, the exports and imports amounted only to 36,151,000*l.* while the customs produced 3,767,000*l.* In the year 1795, the exports and imports are stated to amount to 49,447,000*l.* and those very customs have produced only 3,247,000*l.* so that the one is increased above *thirteen millions*, while the other is *diminished 520,000*l.*!* Leaving these contradictions to be reconciled by those who are more interested than myself in deceiving the nation, I shall even admit the annual average of the exports, during the last three years to be, according to the most exaggerated statements, 24,800,000*l.* and the annual average of the imports to be 21,200,000*l.* so that the whole may amount to forty-six millions. Supposing now, against all common sense and probability, that the imports and exports are equally advantageous to the country, and that a profit is made upon each of fifty *per cent.* In this case, which is extravagant in the highest degree, the profits of all our foreign trade will amount to twenty-

\* The sudden increase of the exports from 20,394,180*l.* in 1793, to 26,748,083*l.* in 1794, and to 27,270,000*l.* in 1795, sufficiently proves it to have arisen from the war; and this is further confirmed by the circumstance of those exports having increased principally, in the last two years, to Germany, while they have even decreased to Portugal, Spain, the Streights, Turkey, the British Continental Colonies, and the British West Indies.

three millions.—And yet even these profits, when compared with the sums to be in future raised by taxes,\* will be no more than sufficient to pay the ordinary expences of a peace establishment in this kingdom.

If it could be proved that national property increases in proportion as taxes multiply, what encouragement might not be derived from the prospect before us ? The adherents of administration might then triumph with good reason in our growing prosperity, and war be justly represented as more beneficial to a country than the most flourishing years of peace. But it has hitherto been found from experience, that the addition of every new tax is so far a diminution of the general mass of wealth, and instead of increasing the property, that it always aggravates the distress of a country. In *Great Britain*, particularly, every person in the least acquainted with its present, compared with its former state, must be convinced of this fact. In consequence of increased taxation provisions necessarily become dearer, and in this kingdom they have risen so much higher in proportion than the price of labour, as to render it impossible for the poor at present to maintain themselves and families by their wages. This has produced a growing distress among them, and notwithstanding their number is diminishing, the poor-rates at this moment are four times greater than they

\* See page 41.

were at the Revolution. Whatever appearance of splendor, therefore, the Capital may display, the great bulk of the nation is dreadfully impoverished ; and every new war, by increasing the difference between the articles and the means of subsistence, aggravates this evil in discouraging marriage or promoting emigration, and in either case accelerating a depopulation which has been gradually going on for the last century.

Were an opinion to be formed of the national prosperity from a few instances of overgrown merchants and capitalists in the principal towns, we might perhaps be led to conclude, that at no former time had it ever attained its present height. But this is a wretched delusion. The commerce, like the agriculture of the country, is continually engrossed into fewer hands, and we are hastening into that state which knows only of two classes of men---the very rich, and the very poor. By drawing the capital into one point, which was accustomed to diverge a thousand ways and afford subsistence for as many families of moderate fortune, the effect in that point is certainly more splendid in appearance, but in reality it is much more injurious to the public. It is also a melancholy truth that from the enormous magnitude of the national debt, a great part of the traffic consists of speculations in the funds;---a traffic productive of no good to the community, which, by converting commerce into a system of gambling, changes

changes the merchant into a capitalist, who employs his money, not in enriching his country by laudable enterprize and industry, but in adding to its distress by trading in loans and contracts.

To the other evils which have been occasioned by the present war, must be added the very severe shock which it has given to the commercial credit of the country. So enormous have been the expences—so far have they surpassed all the estimates of the Minister, and all the provisions which have been made for them by Parliament, that, exclusive of the arrears in the army, the navy, the ordnance, and every other department, to the amount of many millions, \* recourse has been had to the paper credit of the Bank, to such an unprecedented degree, as to oblige the Directors to reduce and almost entirely to desist from their usual discounts in support of the trade of the country. This single circumstance produced a scarcity of cash and a distress in all mercantile negociations which threatened the whole nation with the worst consequences, and a se-

\* In a pamphlet which is stated to be the substance of Lord *Auckland's* speech in the House of Lords, on the 2d of May, it is gravely asserted, that there were at that time neither "outstanding debts and demands," nor "floating and unfunded debt" of any kind; although, in the same pamphlet, it is allowed that the unprovided Navy debt was 2,300,000*l.* and that the balance due to the Bank, including five millions proposed to be funded, amounted to more than eleven millions: but as it is highly improbable that Lord *Auckland* should himself have written such a book, I do not wish to hurt his feelings by noticing it as *his* publication.

cond loan, amounting to seven millions and a half, became necessary within three months of another loan of eighteen millions, in order to discharge the arrears at the Bank, and to enable them, by recurring to their former discounts, in some measure to restore the tottering foundations of commercial credit. If, however, the expenditure continues as it has begun in this year, the evil will return, and the remedy must soon be repeated. But a credit which is so often depressed by the public exigencies, and which requires the frequent repetition of such remedies for its support, is not likely to be long able to maintain itself, much less to afford ground for that ministerial triumph on its stability which has of late been displayed with so little regard to truth or decency.

It must, no doubt, afford great consolation, in the midst of the dangers and distress to which we are exposed from accumulating debts and taxes, to be informed, that by abolishing one hundred and forty-four offices in the Treasury, and substituting threescore others in their stead,\* a saving has been produced which (if the grant had not been antedated three years) would have been rather more than sufficient to pay Mr. Burke's *last* pension. Let it, however, be remembered, that the merit even of this œconomy is un-

\* This is stated in the Treasury pamphlet to which I have already alluded in the present work.—See note, p. 19.

justly

justly ascribed to the present ministry; for the abolition of the offices was for the most part effected by the Marquis of *Lansdown* in the year 1782, and the principal share which they appear to have had in the alterations, has been to substitute other offices in lieu of them, and by this means to reduce a saving of 10,900*l.* to the very moderate sum of 2,700*l.* a year. With equal truth and justice are the offices suppressed under the civil list attributed to their care and management, rather than to the well-known operations of Mr. *Burke's* bill. But while so much zeal is displayed in recounting the offices which have been suppressed, it would not have been amiss at the same time to have added to the catalogue the numerous and very expensive places which have also been created by the present administration.\* Had this been done, it would

\* In this catalogue may be included the following places:

*Board of Comptrol*, for the management of the affairs of the East Indies; consisting of a President and two Commissioners, who receive 5000*l.* a Secretary, who receives 1000*l. per ann.* —Under Secretary—Counsel—Solicitor—Assistant Solicitor—Chief Clerk—twelve other Clerks—Precis Writer—Assistant ditto—Accomptant—four Messengers—Housekeeper—and Chamber-keeper; the emoluments of whose appointments are not accurately known.

*Third Secretary of State*, with an Under Secretary, Chief Clerk, Clerks, Office-keepers, Messengers, &c.

*Transport Board*, consisting of five Commissioners, who receive 1000*l.* a year each. Secretary, two Clerks, six Assistant Clerks, Office-keeper, House-keeper, two Messengers, and a Porter, whose emoluments are not known.

would have been found that their plan of œconomy has much the same tendency to relieve the nation of its burdens, as the Chancellor of the Exchequer's sinking fund has to pay off the public debts, which are annually increasing one hundred times faster than they are discharged.—But it is needless to expatiate on a subject so unprofitable. If the favings and frugality of Ministers are the only auxiliaries we can call to our aid, it may well be said that our situation is forlorn and desperate. The present is indeed a momentous period; and all the abilities and virtue of the nation are necessary to extricate us from our difficulties. But while millions are added an-

*Barrack Establishment*, by which are created seventy-five places from 70*l.* to 700*l.* *per ann.*

*Foreign Ministers*, such as, a Minister to the Swiss Cantons, five or six Secretaries of Legation, &c.

In the *Excise*, a Chairman and Deputy

Chairman

} with additional sala-

In the *Customs*, a Chairman and Deputy

Chairman

} ries.

In the *Post Office*, a Comptroller and Surveyor General, Travelling Surveyor, Deputy Clerks, &c. &c.

In the *Secretary of State's Office*, many additional appointments of Clerks, &c. and the salaries of the Under Secretaries are advanced 50*l.* a year each.

In *Scotland*, additional salaries have been given to the Judges and Sheriffs.

To these may be added the New Boards of Agriculture\* and Naval Architecture; the Telegraph appointments—the additional places in every department of the revenue, in consequence of the new taxes which have lately been imposed, together with an immense multitude of other offices which my confined knowledge prevents me from enumerating.

\* The Secretary and under Secretary to this board receive a salary. The commissioners I believe for the most part officiate gratuitously.

nually to the public burdens, while every new campaign, distinguished principally for the enormity of its expence and the lengthened prospect of the war, destroys every hope of checking the evil in its progress, it will be in vain to attempt our relief. With an ordinary peace establishment, already equal to the rental of all the landed property, and even exceeding the profits of the whole foreign trade of the kingdom, if the nation should continue to acquiesce in that system of profusion, which at present exhausts our resources with such tremendous rapidity, I do not believe that any effort of virtue or ability will be sufficient to save us from ruin.









